

Derive.XYZ

(DRV)

MiCA White Paper
Dated: 8 Jan 2026



DRV MiCA White Paper

I. Compliance with duties of information

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01	Date of notification	N/A
02	Statement in accordance with Article 6(3) of Regulation (EU) 2023/1114	This crypto-asset white paper has not been approved by any competent authority in any Member State of the European Union. The operator of the trading platform of the crypto asset is solely responsible for the content of this crypto asset white paper.

03	Compliance statement in accordance with Article 6(6) of Regulation (EU) 2023/1114	This crypto-asset white paper complies with Title II of Regulation (EU) 2023/1114 of the European Parliament and of the Council and, to the best of the knowledge of the management body, the information presented in the crypto asset white paper is fair, clear and not misleading and the crypto-asset white paper makes no omission likely to affect its import.
04	Statement in accordance with Article 6(5), points (a), (b), (c) of Regulation (EU) 2023/1114	The crypto-asset referred to in this crypto-asset white paper may lose its value in part or in full, may not always be transferable and may not be liquid.
05	Statement in accordance with Article 6(5), point (d) of Regulation (EU) 2023/1114	FALSE
06	Statement in accordance with Article 6(5), points (e) and (f) of Regulation (EU) 2023/1114	The crypto-asset referred to in this white paper is not covered by the investor compensation schemes under Directive 97/9/EC or the deposit guarantee schemes under Directive 2014/49/EU.

II. Summary

N	Field	Content
07	Warning in accordance with Article 6(7), Second subparagraph, of Regulation (EU) 2023/1114	Warning
		The summary should be read as an introduction to the crypto-asset white paper.
		The prospective holder should base any decision to purchase this crypto-asset on the content of the crypto asset white paper as a whole and not on the

		summary alone.
		The offer to the public of the crypto-asset does not constitute an offer or solicitation to purchase financial instruments and any such offer or solicitation can be made only by means of a prospectus or other offer documents pursuant to applicable national law.
		This crypto-asset white paper does not constitute a prospectus as referred to in Regulation (EU) 2017/1129 or any other offer document pursuant to Union or national law.
08	Characteristics of the crypto-asset	DRV is the native crypto-asset of the Derive ecosystem, governed and issued by Derive Foundation. DRV is used for governance and ecosystem participation in connection with the Derive protocol, an on-chain derivatives protocol supporting options and other derivatives with cash settlement. DRV does not grant rights in any legal entity and does not impose obligations on purchasers solely by virtue of holding DRV.
09	N/A	N/A
10	Key information about the offer to the public or admission to trading	The trading platform seeks the admission of DRV to trading in order to provide secondary market liquidity and regulated venue access for existing DRV holders. No public offer is made under this crypto-asset white paper.

Part A: Information about the offeror or the person seeking admission to trading

A.06	Legal entity identifier	N/A
A.07	Another identifier required pursuant to applicable national law	N/A
A.08	Contact telephone number	N/A

A.09	E-mail address	legal@derive.xyz
A.10	Response time (days)	N/A
A.11	Parent company	N/A
A.12	Members of management body	Not applicable, as no offeror is identified and no public offer is made under this crypto-asset white paper.
A.13	Business activity	N/A
A.14	Parent company business activity	N/A
A.15	Newly established	N/A
A.16	Financial condition for the past three years	N/A
A.17	Financial condition since registration	N/A

Part B: Information about the issuer, if different from the offeror or person seeking admission to trading

N	Field	Content
B.01	Issuer different from offeror or person seeking admission to trading	True
B.02	Name	Derive Foundation
B.03	Legal form	Cayman Foundation
B.04	Registered address	Cayman Islands
B.05	Head office	Cayman Islands
B.06	Registration date	2023

B.07	Legal entity identifier	N/A
B.08	Another identifier required pursuant to applicable national law	Not disclosed in this document.
B.09	Parent company	N/A
B.10	Members of management body	<p>The issuer operates through a management and governance structure involving designated contributors and functional leads. As of the date of this white paper, individuals performing key management, governance, operational, and development roles include:</p> <p>Nick Forster (Co-Founder and Chief Executive Officer), Jake Fitzgerald (Co-Founder and Head of Product), Dominic Romanowski (Co-Founder, Foundation), Josh Kim (Head of Engineering), Sean Dawson (Head of Research),</p> <p>Ian Randle (Head of Operations, Foundation), Dillon Lin (Head of Growth), and Andras Caron (Head of Marketing).</p> <p>Responsibilities are allocated across governance coordination, protocol development, research, operations, and ecosystem growth. The composition and responsibilities of contributors may change over time.</p>
B.11	Business activity	Derive Foundation supports governance and ecosystem stewardship for the Derive protocol, including coordination of governance processes and ecosystem initiatives.
B.12	Parent company business activity	N/A

Part C: Information about the operator of the trading platform and other persons drawing up the white paper

N	Field	Content
C.01	Name	To be completed by the trading platform operator
C.02	Legal form	N/A
C.03	Registered address	N/A
C.04	Head office	N/A
C.05	Registration date	N/A
C.06	Legal entity identifier	N/A
C.07	Another identifier required pursuant to applicable national law	N/A
C.08	Parent company	N/A
C.09	Reason for crypto asset white paper preparation	The trading platform operator seeks admission of DRV to trading on its trading platform.
C.10	Members of management body	N/A
C.11	Operator business activity	N/A
C.12	Business activity of parent company	N/A
C.13	Other persons drawing up the crypto-asset white paper according to Article 6(1), second subparagraph, of Regulation (EU)	N/A

	2023/1114	
C.14	Reason for drawing the white paper by persons referred to in Article 6(1), second subparagraph, of Regulation (EU) 2023/1114	N/A

Part D: Information about the crypto-asset project

N	Field	Content
D.01	Crypto-asset project name	Derive
D.02	Crypto-asset's name	DRV
D.03	Abbreviation	DRV
D.04	Crypto-asset project description	Derive is an on-chain derivatives protocol implemented as a collection of smart contracts on Derive L2, an Ethereum rollup built using the OP Stack and governed by the DAO. The protocol is modular and is structured around three core components: (i) subaccounts, which hold a user's positions and balances, (ii) managers, which enforce margin, settlement, and liquidation rules for subscribed subaccounts, and (iii) assets, which encode instrument rules and settlement logic for supported products. The design is intended to support capital-efficient margining while maintaining user self-custody.
D.05	Details of all natural or legal persons involved in the implementation of the crypto-asset project	Derive Foundation is responsible for governance coordination and ecosystem stewardship. Derive Labs Corporation contributes to software development and technical maintenance. Additional contributors and service providers may support ongoing development, infrastructure, and operations.
D.06	Utility Token Classification	False

D.07	Key Features of Goods/Services for Utility Token Projects	N/A
D.08	Plans for the token	DRV supports protocol governance and ecosystem participation. Protocol parameters, including those related to risk management, may be controlled through governance processes and executed via on-chain smart contracts, including delegated execution mechanisms.
D.09	Resource Allocation	Portions of the maximum token supply may be allocated to ecosystem incentives, contributors, governance initiatives, liquidity and growth programs, and other protocol-related purposes, subject to governance decisions. Specific allocations and schedules may be disclosed separately by the issuer.
D.10	Planned Use of Collected Funds or Crypto-Assets	N/A

Part E: Information about the offer to the public of crypto-assets or their admission to trading

N	Field	Content
E.01	Public Offering and/or Admission to trading	ATTR
E.02	Reasons for Public Offer and/or Admission to trading	The trading platform seeks admission of DRV to trading to provide secondary market liquidity and enable existing DRV holders to buy and sell on a regulated trading venue.
E.03	Fundraising Target	N/A
E.04	Minimum Subscription Goals	N/A
E.05	Maximum Subscription Goal	N/A

E.06	Oversubscription Acceptance	N/A
E.07	Oversubscription Allocation	N/A
E.08	Issue Price	N/A
E.09	Official currency or any other crypto-assets determining the issue price	N/A
E.10	Subscription fee	N/A
E.11	Offer Price Determination Method	N/A
E.12	Total Number of Offered/Traded CryptoAssets	Not applicable as the number of assets admitted to trading varies depending on customer demand. The upper bound is given by DRV's maximum supply, which is set at 1,500,000,000 DRV. Circulating supply varies over time and is not fixed.
E.13	Targeted Holders	ALL
E.14	Holder restrictions	The trading platform will apply jurisdictional restrictions and compliance controls in accordance with applicable law and its internal policies. Persons in jurisdictions where acquisition, holding, or trading of crypto-assets is restricted or prohibited may be unable to trade DRV.
E.15	Reimbursement Notice	N/A
E.16	Refund Mechanism	N/A
E.17	Refund Timeline	N/A
E.18	Offer Phases	N/A
E.19	Early Purchase Discount	N/A
E.20	Time-limited offer	N/A
E.21	Subscription period	N/A

	beginning	
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E.22	Subscription period end	N/A
E.23	Safeguarding Arrangements for Offered Funds or CryptoAssets	N/A
E.24	Payment Methods for Crypto-Asset Purchase	N/A
E.25	Value Transfer Methods for Reimbursement	N/A
E.26	Right of Withdrawal	N/A
E.27	Transfer of Purchased Crypto-Assets	N/A
E.28	Transfer Time Schedule	N/A
E.29	Purchaser's Technical Requirements	To be eligible to use, acquire, or hold DRV, a holder must control a wallet or custody arrangement capable of managing public and private keys for an address supporting the relevant network standard for DRV and any required transaction fees on the relevant network.
E.30	Crypto-asset service provider (CASP) name	N/A
E.31	CASP identifier	N/A
E.32	Placement form	N/A
E.33	Trading platforms name	To be completed by the trading platform operator
E.34	Trading platforms Market Identifier Code (MiC)	N/A

E.35	Trading platforms access	Prospective holders must complete identity verification and anti-money laundering checks in accordance with the policies of the trading platform. Failure to comply may prevent access to trading, deposits, or withdrawals, or result in other compliance actions.
E.36	Involved costs	N/A
E.37	Offer Expenses	N/A
E.38	Conflicts of Interest	N/A
E.39	Applicable law	Mandatory consumer and financial laws of the holder's jurisdiction may apply.
E.40	Competent court	Determined in accordance with applicable conflict-of-law rules.

Part F: Information about the crypto-assets

N	Field	Content
F.01	Crypto-Asset Type	Crypto-assets other than asset-referenced tokens or e money tokens
F.02	Crypto-Asset Functionality Description	DRV is used for protocol governance and ecosystem participation in connection with the Derive protocol. Governance processes may propose and implement changes to protocol parameters and ecosystem initiatives. DRV does not grant equity rights, profit rights, or claims on assets.
F.03	Planned Application of Functionalities	N/A as the crypto-asset's functionalities are already in place or are governed by ongoing governance processes.
F.04	Type of white paper	OTHR
F.05	The type of submission	NEWT

F.06	Crypto-Asset Characteristics	<p>DRV is associated with the Derive protocol, a generalised risk engine deployed on Derive L2. The protocol is designed so that users maintain self-custody of their funds, with trading and risk controls enforced by smart contracts.</p> <p>DRV has a maximum supply of 1,500,000,000 DRV.</p> <p>Governance-controlled minting remains possible, subject to governance processes and protocol rules. DRV is intended for governance and ecosystem participation. DRV is not redeemable for fiat or assets, and is not backed by reserves.</p>
F.07	Commercial name or trading name	DRV
F.08	Website of the issuer	https://www.derive.xyz/
F.09	Starting date of the offer to the public or admission to trading	N/A
F.10	Publication date	N/A
F.11	Any other services provided by the issuer	N/A
F.12	Language or languages of the white paper	English
F.13	Digital Token Identifier Code used to uniquely identify the crypto asset, where available	N/A
F.14	Fungible Group Digital Token Identifier, where available	N/A
F.15	Voluntary data flag	False
F.16	Personal data flag	True

F.17	LEI eligibility	Not disclosed
F.18	Home Member State	N/A
F.19	Host Member States	N/A

Part G: Information on the rights and obligations attached to the crypto-assets

N	Field	Content
G.01	Purchaser Rights and Obligations	Holders of DRV do not acquire contractual, ownership, profit, or governance rights against the issuer by virtue of holding DRV, except for protocol-level governance participation where applicable.
G.02	Exercise of Rights and obligations	N/A
G.03	Conditions for modifications of rights and obligations	N/A
G.4	Future Public Offers	N/A
G.5	Issuer Retained Crypto-Assets	N/A
G.6	Utility Token Classification	False
G.7	Key Features of Goods/Services of Utility Tokens	N/A
G.8	Utility Tokens Redemption	N/A
G.9	Non-Trading request	True
G.10	Crypto-Assets purchase or sale modalities	Assets are planned to be made available for trading on the trading platform admitting DRV to trading.
G.11	Crypto-Assets Transfer Restrictions	Transfers may be restricted or prohibited in jurisdictions where regulatory frameworks impose limitations. Holders are responsible for ensuring

		compliance with local laws.
G.12	Supply Adjustment Protocols	False
G.13	Supply Adjustment Mechanisms	N/A
G.14	Token Value Protection Schemes	False
G.15	Token Value Protection Schemes Description	N/A
G.16	Compensation Schemes	False
G.17	Compensation Schemes Description	N/A
G.18	Applicable law	The crypto-asset is built on a decentralised network and there is no written legal agreement between issuer and token-holder setting governing law. Applicable law may depend on the token-holder's jurisdiction and mandatory consumer or financial rules.
G.19	Competent court	There is no written legal agreement selecting courts. Competent courts may depend on the token-holder's jurisdiction and applicable conflict-of-law rules.

Part H: Information on the underlying technology

N	Field	Content
H.01	Distributed ledger technology	DRV exists on Derive L2, an Ethereum rollup built using the OP Stack. Core protocol functions, including margin enforcement, settlement, and liquidations, are implemented via smart contracts deployed on Derive L2.

H.02	Protocols and technical standards	The protocol uses smart contracts and standard token interfaces, including ERC-20 compatible assets for fungible instruments and ERC-721 compatible tokens for subaccounts. Subaccounts store positions as structured balances and use hook-based calls to asset and manager contracts to validate transfers and enforce final state requirements.
H.03	Technology Used	<p>Derive uses a modular smart contract architecture consisting of:</p> <ol style="list-style-type: none"> 1. Subaccounts, which serve as the base unit for user portfolios and hold balances across supported instruments. 2. Assets, which encode instrument-specific rules and determine the results of transfers, trades, deposits, withdrawals, and settlement, including interest accrual where applicable. 3. Managers, which enforce risk constraints, margin rules, settlement, and liquidation conditions for subscribed subaccounts. <p>This structure enables the protocol to support multiple instrument types and risk frameworks under consistent account model.</p>
H.04	Consensus Mechanism	Derive L2 settles to Ethereum and relies on Ethereum for base-layer security. Transaction finality, ordering, and availability are subject to the design and operational characteristics of the rollup and Ethereum.
H.05	Incentive Mechanisms and Applicable Fees	Protocol fees may be charged to compensate risk-bearing components of the system, including fees on risk-increasing transactions, liquidation-related fees, and spreads on interest paid by borrowers. Fees are intended to accrue to a protocol-owned reserve mechanism designed to improve system robustness.
H.06	Use of Distributed Ledger Technology	FALSE
H.07	DLT Functionality Description	Although classified as not using DLT within the meaning of this field, the crypto-asset operates on a distributed ledger environment as described in H.01- H.05.

H.08	Audit	<p>A public smart contract security review of the Derive protocol was conducted by Sigma Prime, an independent blockchain security firm. The review was commercially engaged and time-boxed, and focused on the security aspects of the Solidity implementation of the Derive smart contracts, including core protocol components related to managers, liquidations, and cash handling. The review assessed code hosted in the Derive GitHub repositories, including multiple modules and commits relevant to the Derive v2 protocol. Automated analysis tools and manual review techniques were used to identify potential vulnerabilities, business-logic issues, and implementation risks.</p> <p>The audit report is publicly available and titled <i>“Derive (Formerly Lyra) – Round 2 Smart Contract Security Review, Version 2.1, January 2025”</i>.</p>
H.09	Audit outcome	<p>The Sigma Prime security review identified a total of 10 findings, classified across severity levels including critical, high, medium, low, and informational. Each finding was assigned a status indicating whether it was open, resolved, or closed at the time of reporting.</p> <p>According to the audit report, one critical issue and one high severity issue were identified and subsequently addressed by the development team. Several medium and low-severity findings were either resolved or acknowledged, and one informational item remained open. The report documents the recommendations provided by the auditor and the corresponding responses or resolutions implemented by the development team.</p> <p>Sigma Prime expressly notes that the review does not provide guarantees regarding the function of the smart contracts and does not constitute an assessment of the underlying business model or the individuals involved in the project. Readers are referred to the publicly available audit report for full details of findings, severity classifications, and remediation commentary.</p>

Part I: Information on the risks

N	Field	Content
I.01	Offer-Related Risks	Admission to trading does not guarantee liquidity or orderly markets. Secondary market prices of DRV may be volatile, and users may be unable to buy or sell DRV at desired prices or sizes.
I.02	Issuer-Related Risks	The issuer does not guarantee the value, liquidity, or utility of DRV, and may change policies or governance processes. The issuer may depend on contributors and service providers for development and maintenance, and these parties may discontinue support.
I.03	Crypto-Assets-related Risks	<p>DRV may be highly volatile and illiquid. Holders may lose access through loss of keys or custody failures. Transfers are generally irreversible. Regulatory classification and tax treatment may be uncertain and may change. Governance controlled minting remains possible, which may dilute holders.</p> <p>Governance may change protocol parameters or execution mechanisms that affect how the protocol operates, which may indirectly affect demand for DRV or the perceived utility of DRV.</p>
I.04	Project Implementation Related Risks	<p>Derive relies on risk manager smart contracts that enforce initial and maintenance margin rules. If margin models, parameter settings, or scenario assumptions are incorrect or lag market conditions, positions may be under-margined or liquidations may occur unexpectedly.</p> <p>The protocol may impose open interest caps and other constraints to limit risk, which may restrict trading. Certain governance-approved integrator pathways may reduce on-chain computation by relying on delegated validations while still enforcing solvency constraints, which introduces operational and oversight risks if such roles are misused or compromised.</p>

I.05	Technology-Related Risks	<p>The protocol depends on external data feeds for pricing inputs, including spot prices, forward prices, implied volatility surfaces, funding-related pricing for perpetuals, and interest rate curves. If oracle data is delayed, manipulated, or has low confidence, the protocol may require additional margin, restrict activity, or apply conservative pricing, which may impact users.</p> <p>Options may settle to a time-weighted average price near expiry and may be marked using a combination of forward and time weighted pricing, which can cause exposures to change as settlement approaches. Perpetuals may apply funding and settlement adjustments continuously. These mechanisms may behave differently than centralised venues and can introduce basis and execution risk.</p>
I.06	Mitigation measures	<p>Risk is managed through transparent on-chain margin rules, liquidation mechanisms designed to remove risk from under margined accounts, and a reserve mechanism intended to support liquidations in insolvency scenarios. In extreme conditions where reserve resources are insufficient, the protocol may apply mechanisms that allocate losses across the system, for example by applying temporary withdrawal related fees. These measures may reduce systemic cascade risk but do not prevent losses and may impose losses on users.</p> <p>Mitigation measures are implemented on a best-efforts basis and do not guarantee the prevention of losses, insolvency events, or adverse outcomes.</p>

Part J: Information on the sustainability indicators in relation to adverse impact on the climate and other environment-related adverse impacts

N	Field	Content
S.01	Name	Derive Foundation
S.02	Relevant legal entity identifier	Not disclosed
S.03	Name of the crypto asset	DRV

S.04	Consensus Mechanism	The crypto-asset operates on a Layer-2 network that is secured by Ethereum. Energy use and emissions are primarily attributable to the underlying network infrastructure and participating nodes.
S.05	Incentive Mechanisms and Applicable Fees	See H.05
S.06	Beginning of the period to which the disclosure relates	N/A
S.7	End of the period to which the disclosure relates	N/A
S.8	Energy consumption	N/A
S.9	Energy consumption sources and methodologies	N/A

Supplementary Information on principal adverse impacts

N	Field	Content
S.10	Renewable energy consumption	N/A
S.11	Energy intensity	N/A
S.12	Scope 1 DLT GHG emissions, controlled	N/A
S.13	Scope 2 DLT GHG emissions, purchased	N/A
S.14	GHG intensity	N/A
S.15	Key energy sources and methodologies	N/A

S.16	Key GHG sources and methodologies	N/A
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